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TRANSMITTAL SLIP		DATE 24 February 1983
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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4251
23 February 1983

J. Peter Grace, Chairman
W. R. Grace and Company
1114 Avenue of the Americas
New York, New York 10036

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Dear Mr. Grace:

I am writing in response to our conversation of 17 November 1982 in which you generously agreed to assist us in our long-range planning efforts. At that time it was agreed that I would write you when I had a better idea of when we could meet with your Chief Planning Officer, Mr. Walter Robbins. I am in the process of arranging several meetings in New York City for the week of 7 March, and am hoping that one day that week would be convenient to Mr. Robbins.

I believe it would be helpful if our meeting were to begin with a more detailed description by us of the Community's organization and the problems that that structure poses for long-range planning. The Intelligence Community is a unique entity consisting of a number of relatively autonomous organizations that are highly dependant on one another. I am enclosing a brochure that will give you some idea of the relationship between the Director of Central Intelligence, the Central Intelligence Agency, the other intelligence agencies, and the national security structure.

I propose that we leave the specific agenda in the hands of Mr. Robbins, but suggest that he cover four areas of particular interest to us:

- (a) Methodology--We would like to know how you plan at the corporate level. What are the kinds of issues you consider? How are the selected? How are long-range planning issues addressed? Resolved? How do recommendations find their way into division budgets?
- (b) Significant Long-Range Issues--Within your planning horizon, what are the major issues that have emerged from your planning process? What we have in mind are those developments both national and international that will require a response from your organization. The response may be in terms of products, strategies or even organization/management changes.
- (c) Corporate Response--What are the corporate responses to each of the major issues cited above? We do not wish to intrude upon proprietary information, but we would be interested in a general idea of the nature of these responses.

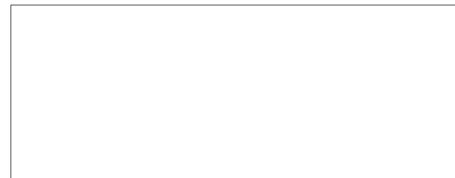
(d) Metrics--What are you measuring to assess the worth of a given effort? Are they internal or external in nature?

I wish to thank you for your generous offer of assistance, and look forward to hearing from Mr. Robbins. Should he have need for additional clarification he may reach me on

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Sincerely,

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Enclosure:

Intelligence--The Acme of Skill

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SUBJECT: Long-Range Planning Efforts

Distribution (DCI/ICS 83-4251):

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4243
9 February 1983

John J. Baumeister, Vice President
American Electronics Association
2680 Hanover Street
Palo Alto, CA 94304

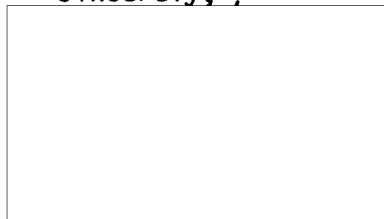
Dear John:

I would like to thank you and Chuck Elkind for arranging the luncheon meeting last Thursday to discuss manpower issues. I found it to be both enjoyable and informative, and I feel that it has helped me clarify my thoughts on the Intelligence Community's long-term manpower concerns.

The meeting, of course, would not have been possible without the participation of so many of your members. Please extend my appreciation and thanks to Pat Molvar, Don Newton, Dan Eastman, Elmo Sanders and Dave Peasley. It is interesting to note that your industry is wrestling with many of the same concerns as the Intelligence Community. Although we are somewhat constrained in our ability to respond given the mature nature of our very specialized industry and in the general character of Federal employment, we nevertheless intend to research for more creative approaches to fulfilling our manpower requirements.

Once again let me thank you and Chuck and all those who made my visit so worthwhile.

Sincerely, .



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SUBJECT: Long-Range Manpower Concerns

Distribution (DCI/ICS 83-4243):

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DCI/ICS [redacted] (9 Feb 83)

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4241
9 February 1983

Mr. James S. Kemper
Chairman of the Board
Kemper Group
Kemper Center
Long Grove, IL 60049

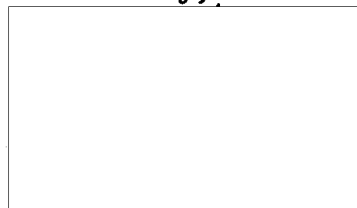
Dear Mr. Kemper:

On behalf of the Planning and Policy Staff I would like to thank you and Rich McClellan for the time you gave us on 28 January and your generous offer of additional assistance in the future. We came away from the meeting with a better appreciation of the significance of long-range planning to a well managed organization. We also were encouraged by your obvious appreciation for the enormity of the task before us and for your enthusiasm for our efforts to establish a framework for planning.

As we talk to more and more well managed firms, we are beginning to form an understanding of several key factors in their success. The first is the recognition by the Chief Executive Officer of the significance and importance of long-range planning in the entire management process. The second is the direct relationship between the long-range plan and the current operating plan from which performance criteria are derived. Finally, there is the relationship between performance and incentives, both of which are related directly back to the planning process.

Once again, I would like to thank you and Rich and look forward to sharing our insights on the same subject in the future.

Sincerely,



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SUBJECT: Long-Range Planning meeting with Kemper Group

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DCI/ICS/PPS/ (9 Feb 83)

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4242
9 February 1983

Mr. Thornton A. Wilson
Chairman and Chief Executive Officer
Boeing Company
7755 East Marginal Way
Seattle, Washington 98124

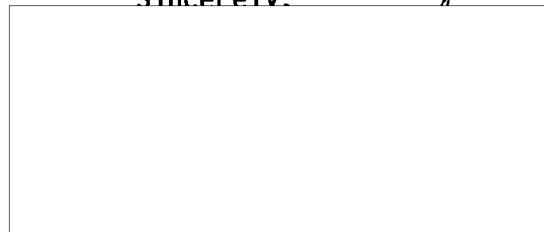
Dear Mr. Wilson:

On behalf of the Planning and Policy Staff I would like to express my appreciation for the efforts of a number of your senior officers in helping us understand the issues involved in long-range planning. In particular I would like to recognize the contributions of John E. Stiener, Perry T. Sikes, Joseph W. Russel, Frank B. Williams, and H. Carl Munson. It was evident both from the content of the information they shared with us and from the enthusiasm with which they shared it that long-range planning at Boeing is a key ingredient to the success of the company.

While it will take a good deal of time to sort through the volumes of information that was shared, we did note a number of central themes that emerged. The first and probably most significant is that long-range planning cannot be successful without the strong endorsement and encouragement of the Chief Executive Officer. Another characteristic that emerged was that there must be a direct and seamless relationship between the long-range plan and current operating plans. Finally, it was apparent to us that individual performance was directly related to the planning process and that financial incentives were related directly to performance under those criteria.

Once again, please except my expression of appreciation on behalf of this staff and our planning offices throughout the Intelligence Community.

Sincerely,



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SUBJECT: Long-Range Planning Meeting with Boeing Company

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DCI/ICS/PPS (9 Feb 83)

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4245
9 February 1983

Austin F. Marx
Hewlett Packard
P. O. Box 10301
Palo Alto, CA 94303-0890

Dear Austin:

On behalf of [redacted] I would like to thank you for arranging our highly profitable visit to Hewlett-Packard. Please convey our appreciation to Paul Ely, Cyril Yansouni and Dick Anderson, and on my behalf to Elmer Luthman, for their generous support. Finally, please extend our special appreciation to John Young for taking so much time out of his busy schedule to share the benefit of his experience with us.

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I believe that we came away from our discussions with a greater appreciation of our planning requirements in spite of the dissimilarities between our two organizations. Our need to anticipate foreign technical developments with technical capabilities of our own requires that we adopt an extended planning horizon. Manpower issues were touched upon by everyone and left me with many ideas for both the short- and long-term in this area.

Once again, we would like to thank you for your efforts in arranging the meetings and for the contributions of all who participated.

Sincerely,

[redacted]

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SUBJECT: Long-Range Planning Meeting With Hewlett-Packard

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DCI/ICS/PPS, (9 Feb 83)

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-4244
9 February 1983

Mr. Salvatore P. Giambra
Vice President, Bechtel Group Inc.
P.O. Box 3965
San Francisco, CA 94119

Dear Sal:

On behalf of [redacted] I want to thank you for making our visit to Bechtel possible. Please convey our appreciation to Don Campbell, Don Casey, John Morowski, John Cooper, Sam Hoskinson, and especially to Don Furlong who orchestrated the day for us. Each contributed significantly to our understanding of the planning process at Bechtel.

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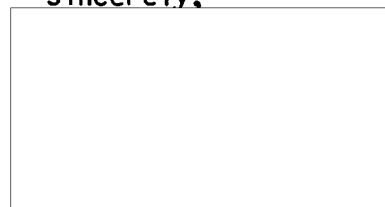
George and I in particular were encouraged to note the many similarities between your planning process and what is evolving within our office which corresponds to a great extent to your corporate-level responsibilities. Operating planning originates from our budget staffs in a process that resembles your planning and budgeting system. We in the planning office believe we should be responsible for addressing issues that derive from our perception of the intelligence needs of consumers over the next five to ten years. We also see a need for a mechanism to address and resolve long-term issues that cut across agency lines within the Intelligence Community and see to it that they are resolved in an appropriate manner.

I hope we can maintain the lines of communications between our two offices as I believe our planning mechanism will grow to resemble yours even more. I am enclosing a copy of our planning design as it looks now for your information and any comments you may wish to offer.

Once again, we would like to thank you and Don Furlong for your efforts in arranging this meeting and for the contributions of all who participated.

Sincerely,

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Enclosure:
a/s

SUBJECT: Long-Range Planning Meeting With Bechtel Group Inc.

Distribution (DCI/ICS 83-4244):

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DCI/ICS/PPS/

(9 Feb 83)

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9 February 1983

LONG-RANGE PLANNING DESIGN

1. The 1985 Intelligence Capabilities Study served its intended purpose of assessing the Intelligence Community's present capabilities in light of its longer-term needs and proposing specific remedies to address these long-term needs; the document itself also provided program managers with a useful management tool. The Study was prepared in an organized but ad hoc manner appropriate to a one-time effort. In the process, it provided the Community with a unique opportunity to pool its efforts in order to articulate these needs and to propose solutions. It is clear from the planning elements throughout the Community that long-range planning on a Community-wide basis would be desirable for their individual planning responsibilities. Each element is proceeding with planning efforts suitable to their individual requirements and in the process recognizing the need for a coordinated Community reference point.

2. In proposing a long-range planning design, we are guided by two principles:

- The process must be flexible. There is no single right way to do long-range planning. The Intelligence Community is a unique organization that defies comparison with most other large organizations. These factors suggest that we proceed with a willingness to adapt as we go along.
- The process must have connectivity. The product must be relevant to the needs of the individual planning offices on the one hand, and at the same time open to influence by these same offices.

3. In broad terms, we propose a three-phase process:

- Phase I -- Establishing the Community-wide Planning Context. The Planning Context is analogous to the process that was undertaken during the preparation of the Capabilities Study that resulted in the 13 general Challenges. It would result in the promulgation of a limited number of major challenge areas relevant to a time period 10 to 15 years into the future.
- Phase II -- Identification and Investigation of Planning Issues. This is the process by which specific issues are surfaced, prioritized, studied, and from which detailed recommendations are to be drawn.
- Phase III -- Translation into Capabilities. Recommendations would be converted to short-term program guidance and long-term planning guidance, and responsible entities identified to track their progress.

4. Phase I -- Establish the Planning Context.

- Planning and Policy Staff (PPS) will be responsible for developing the challenge areas annually. In doing so, it will solicit contributions from such entities as the: Intelligence Producers Council (IPC), National Intelligence Council (NIC), Senior Interagency Group for Intelligence (SIG(I)), program managers, planning offices, Director of Central Intelligence (DCI) committees, and ad hoc discussions.
- These challenge areas will be forwarded to the Executive Steering Group for Planning (ESG(P)) for review, revision as necessary, and prioritization.
- The challenge areas would then be approved by the DCI and the National Foreign Intelligence Council (NFIC).

5. Phase II -- Identification and Investigation of Planning Issues.

- A planning issue:
 - Should have a high probability of occurrence and a significant impact on US interests.
 - Should have Community-wide relevance in that it requires a coordinated response by more than one program manager, or that the actions or inactions of one program manager will impact on the Community at large.
 - Should be of long-range consequence requiring short-, medium-, and long-term responses.
 - Should be studied from a programmatic vice resource perspective.
- Issues generated from the bottom up or the top down might encompass:
 - Substantive international or global affairs.
 - Changes in the external collection environment.
 - Changes in the internal environment.
 - Significant technical opportunities or capabilities.
 - Organizational and procedural administrative concerns.
 - Domestic social and political trends.
- Under the direction of PPS the process would involve:
 - Statement of issue and discussion of pertinent information.

- Assessment as to the probability of occurrence, severity of impact, and timing.
- Review and disposition by the ESG(P).
- Investigation of the issue by appropriate Community entity.
- Development of specific recommendations.
- Approval by ESG(P), NFIC, SIG(I)
- Assignment to a responsible implementing agent.

6. Phase III -- Translation to Capabilities.

- Once a year, PPS will assemble two guidance documents derived from the studies completed during the year.
- These documents will consist of Goals and Objectives and Long-Range Planning Guidance.
- Goals and Objectives:
 - Will include only near- to medium-term elements of recommended projects.
 - Will be incorporated into program guidance jointly prepared with Program and Budget Staff (PBS).
 - PPS will be responsible for tracking these elements.
- Long-Range Planning Guidance:
 - Will include medium- to long-term elements of recommended projects.
 - Intended for the planning offices of the program managers.
 - The implementation agent will be responsible for monitoring all recommendations under its particular issue.